

HCS HB 1827 -- MISSOURI ELECTRONIC PRIOR AUTHORIZATION COMMITTEE

SPONSOR: Molendorp (Richardson)

COMMITTEE ACTION: Voted "do pass by consent" by the Committee on Health Insurance by a vote of 8 to 0.

This substitute establishes the Missouri Electronic Prior Authorization Committee to facilitate and monitor Missouri-based efforts to contribute to the establishment of national electronic prior authorization standards. The efforts must include the establishment of a pilot program and the study and dissemination of information from the National Council on Prescription Drug Programs. In consultation with the Department of Insurance, Financial Institutions and Professional Registration and the committee, a Missouri-based pharmacy benefits manager doing business nationally must conduct a pilot program if there are adequate Missouri licensed physicians and a vendor capable and willing to participate in the program. It must be operational by January 1, 2014.

The 18-member committee is to include members of the General Assembly, executive branch directors, representatives from the pharmaceutical and health care industries, and a patient advocate. The duties of the committee are specified including the preparation of an annual report to the General Assembly and the Governor on the committee's progress and plans for the next year until national standards are established. Upon the adoption of national standards, the committee must prepare a final report to the General Assembly and the Governor that identifies the appropriate Missouri administrative regulations that will be needed and if there are any necessary legislative actions.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPONENTS: Supporters say that advances in technology have changed the way business can be conducted regarding prior authorization of prescription drug coverages for patients. The pilot program established in the bill will be useful for the pharmaceutical industry as well as physicians and their patients. It will take some friction out of the current system of how a prescription drug is prescribed to a patient by filtering through patient information prior to the patient leaving a physician's office and before the patient goes to the pharmacy to pick up the prescription. The committee will help establish procedures so that by the time the patient gets to the pharmacy all of the issues are resolved regarding the patient's eligibility and prior authorization to receive a medication by allowing doctors to get any necessary explanations for the need for a certain

pharmaceutical prior to the patient leaving the doctor's office. The pilot project will help establish transparency of prescription drug coverage. There is a national council that develops rules and protocols for the electronic aspect of this issue, and it has made recommendations to help assist the pilot project. The bill will help resolve legislative issues that have come up over the past years and the pilot project will help establish a process to get the right medication to the patient in an expedient manner. This is a solution to therapy reform, in a form of prior authorization reform. MO HealtNet has had this type of process for several years and it is working very effectively.

Testifying for the bill were Representative Richardson; Express Scripts; Pfizer, Incorporated; Missouri Pharmacy Association; Missouri Academy of Family Physicians; Missouri Association of Osteopathic Physicians and Surgeons; St. Louis Area Business Health Coalition; and Missouri Nurses Association.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying on the bill say that a member of the MO HealtNet Program should be on the board. The Director of the Board of Pharmacy could provide input about how the program should operate.

Testifying on the bill was Department of Social Services.